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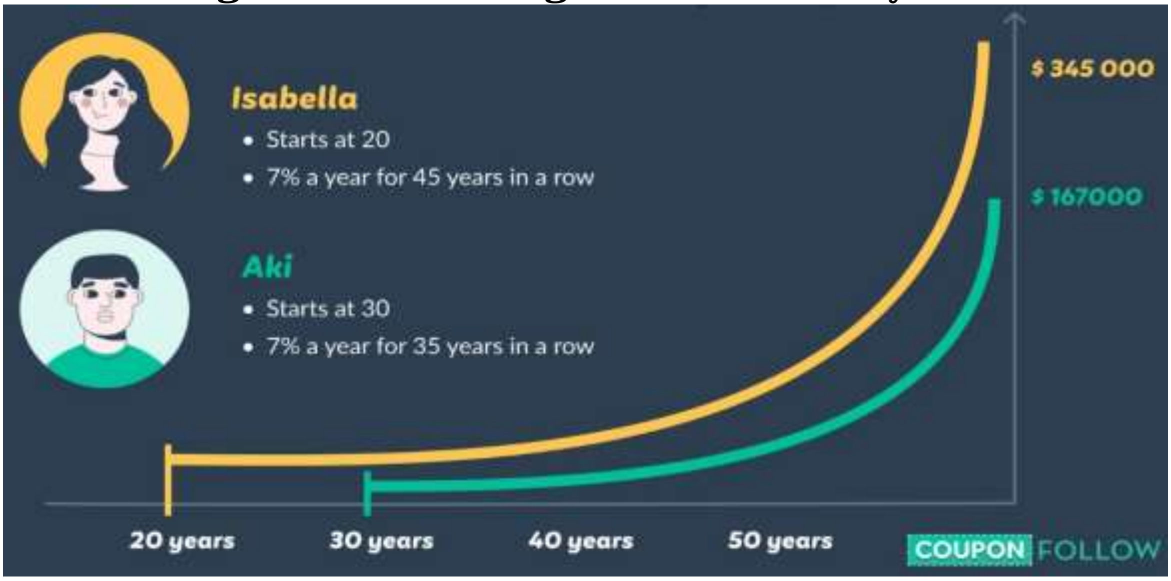
BENEFITS OF INVESTING OR SAVING EARLY

Contributing towards building a brilliant society.



CSR can help improve society and promote a positive brand image for companies.

Organised by: EveningCrest **In collaboration with:** KWSP

"This programme is specifically designed to promote and encourage Malaysian citizens to start investing with EPF/KWSP at the age of 14 years old as a preparation for a better retirement and enjoyment in the future"

Main sponsor:

EveningCrest

Co-sponsors:

Company 1	Company 2	Company 3	Company 4	Company 5

Some corporate social responsibility (CSR) models replace financial responsibility with a sense of volunteerism. Otherwise, most models still include environmental, ethical, and philanthropic as types of CSR.

What is CSR Programmes?

Corporate social responsibility or CSR is a business model by which companies make a concerted effort to operate in ways that enhance rather than degrade society and the environment. CSR can help improve society and promote a positive brand image for companies. CSR includes four categories: environmental impacts, ethical responsibility, philanthropic endeavors, and financial responsibilities.

Our CSR Programmes

In the year 2024, we choose to focus and promoting 2 key categories of CSR namely as (a) ethical responsibility and (b) financial responsibilities

Ethical responsibility: Our CSR target includes acting fairly and ethically. Instances of ethical responsibility include fair treatment of all customers regardless of age, race, culture, or sexual orientation, favorable pay and benefits for employees, vendor use across demographics, full disclosures, and transparency for investors and societies.

Financial responsibility: We make plans to be more environmentally, ethically, and philanthropically focused, however, it must back these plans through financial investments in programs and donations, or product research including to encourage social awareness on the important of investment at early/young ages among Malaysian citizens.

Introduction

You are young, have a little money, and you are ready to start investing. What is more, you have years of investment time horizon ahead of you. This means that you have more time and options available to you. Due to this, you should first decide on what your investment goal is. Are you looking to retire early? Buy your first home? Maybe you are trying to raise money to start a business. Whatever it is, your goal will help determine the amount of time you have to grow your portfolio, also known as your investment horizon. So, what are the pros and cons of being a young investor? Here are the advantage and disadvantage of investing at young age.

Advantages	Disadvantage
Long investment horizon	Smaller starting capital
Higher risk tolerance	Less monthly disposable income

The best move you can make as a young investor is to know what your advantages are and make the most out of them while at the same time taking steps to overcome any shortcomings. Here's what you can do.

You can invest for the long-term

As a young investor, you can make much longer-term plans. This means looking to cash out in 30 to 40 years, or more. This long investment horizon allows you to be more aggressive in your investment by allocating more into riskier investments in the hope of riding out any short-term uncertainties.

How does this work? In general, the stock market tends to trend upwards in value over the long-term. For example, the KLSE rose from 818.43 to 1622.89 (or 98%) between 2

January 2000 and 7 December 2020. This is despite seeing substantial dips from 2008 to 2009, and another pandemic-driven nosedive in 2020.
This basically means that the market as a whole over a long time horizon has increased in value - even if individual stocks or securities do not. So, whatever it is you do, plan for the long-term and stay diversified. More importantly, time is on your side so you should use it to your advantage.

You have higher risk tolerance
As a benefit of being a younger investor, you can potentially take on riskier investments. This is because you have more time to recover from setbacks.

How does this differ from being a potentially older investor who may have more wealth? Well, that person may be ultimately closer to their investment goal and will be looking to protect their wealth instead. For example:

Comparison of Risk Tolerance Between Robert and Ahmad.

Robert and Ahmad are both investing towards their retirement. Here is how their investment journeys pan them out…

Robert (Age 50)	Ahmad (Age 25)
High Risk Vs Low Risk.	**High Risk Vs Low Risk.**
(a) Robert invests a higher amount, but his investment portfolio is allocated to lower-risk investments	**(a) Ahmad invests a lower amount but in slightly more aggressive investments.**
(b) Robert is only five years away from the minimum retirement age and his portfolio forms asubstantial part of his retirement plan.	(b) Ahmad is 35 years old from retirement and does not really have a lot invested yet due to his age.

They are both hit by an economic recession that they did not foresee.
What happens to their investment portfolio? .

(a) Robert's portfolio is not affected significantly as the allocates more in safer investments. He might not make as much when the market recovers, but he will also stand to lose less.	(a) Ahmad's portfolio takes a significant hit in the short term and he may take some time to recover. However, Ahmad is young and he will be able to sleep soundly while riding out the economic uncertainty because his goal is still decades away.

You only have limited disposable income
Unfortunately, not everyone has substantial trust funds brimming with cash. Most young people entering the workforce won't have much in terms of savings – and in their early working years, they need most of it to build an emergency fund.

According to the Household Income & Basic Amenities Survey Report 2019 by the Department of Statistics Malaysia, the gross median income for households led by those within the 25 to 29 age group is RM5,558. This might look like a decent amount, but a household will likely consist of more than one person contributing multiple income sources

to support an entire family. So each individual will end up with a lot less, especially for investment.
This essentially means that certain investments are just out of reach for the young investor. You may not be able to immediately jump into the property market or have much cash to invest directly in blue chip stocks.

This will limit your choices when you start out so you should plan your portfolio accordingly. You may only have the means to access smaller investment opportunities, but you can make consistent monthly investments over a longer period of time.

What should you invest in?
Now that you know where you stand, you can start looking at investments that fit your profile. This may mean looking towards equities like stocks, unit trusts, and exchange traded funds (ETFs).
Of these, stocks are the riskiest for you. This is because you will have to do a lot of work in researching the companies that you intend to invest in, which may take a lot more effort than you may think. Not only that, doing your due diligence properly requires at least some experience in how markets move and knowing the inner workings of how industries operate. If you're not well-versed in financial matters, it is safer to avoid investing in individual stocks - no matter how tempting they may look.

Unit trusts and ETFs on the other hand, are extremely suitable for someone who has limited investing knowledge and money. They allow you to get a feel for investing and seeing how market movements affect your portfolio.

What are unit trusts and exchange traded funds?

Unit Trust	Exchange Traded Fund (ETF)
A collection of investments managed by a fund manager. Investors buy units of each fund as a means of investment.	A collection of investments that are designed to track an underlying index (which could be an entire market or specific segment).
Composed of cash, bonds and deposits, shares, properties, and commodities.	Are listed and traded just like stocks. The ETF itself invests in the assets comprising the index.
You do not own the investments directly.	You do not own the investments directly.
Provide access to a wide range of investments that may be out of reach of an individual investor.	Provide access to a wide range of investments that may be out of reach of an individual investor.
Good for those who do not have the time or expertise to build their own portfolio or make direct investments.	Information about the underlying index is made available at all times so you always know how the fund is doing.
	Replicates the performance of the underlying index so that you do not need to buy the stocks yourself.

Our CSR Programme

This programme is specifically designed to promote and disseminate information and create awareness on the important of investing at early age.
It is to be conducted in collaboration with KWSP (Alor Setar Branch) on a yearly basis.
It is also designed to encourage Malaysian young generation as early as at the age 14 years old to start investing with the KWSP (Alor Setar Branch).
The knowledge on the importance of PERSONAL FINANCE will be conducted and explained by the KWSP's staffs to all of the related participants.
The targeted participants will be the secondary students at age of 14 to 17 years old.
The students of higher education who attending graduate programmes will also encourage to participate.
Those below the age of 75 years old and fall under the category of B40 and the poor (Asnaf) will also be invited to participate.
We are targeted to contribute at least RM100,000.00 cash funds yearly to assist as many as possible young generation to open personal investment/retirement scheme account with KWSP.
The related funds are to be credited to all those participants as an initial deposit to entitle them to open an account and become one of the members of KWSP.

About EPF/KWSP

The Employees Provident Fund (EPF/KWSP) is one of the world's oldest provident funds. Established in 1951, its help the Malaysian workforce to save for their retirement in accordance to the Employees Provident Fund Act 1991. The staffs at the EPF continue to refine their vision to not only stay relevant but to create a better retirement for all our members. This strengthens their commitment in safeguarding its members' savings and increasing their dedication in providing excellent services. In tandem with our main vision in helping members achieve a better future, EPF/KWSP has extended its mandate to include aiding national infrastructural development while safeguarding and growing members' retirement savings. Today, the EPF/KWSP allows and invites all Malaysian citizen for those at age of between 14 years and 74 years old to open an investment/retirement scheme account.

Proposed Venues/Dates

Venue1: University Technology of MARA, Perlis
Date: TBA

Venue 2: Sekolah Menengah Kebangsaan, Lubok Merbau, Kedah.
Date: TBA

Others: TBA

Proposed CSR Contribution for Year 2024

Targeted Number of Students/persons	CSR Contribution Per Head (RM)	Total CSR Contribution (RM)
5000	20.00	100,000.00

Benefit to the Participants

(a) The participants will have a personal account with KWSP and will be automatically become a member of KWSP.
(b) The participants will be entitled to receive roughly between 15% – 20% yearly dividend (up to maximum RM500.00 per year) from the KWSP.
(c) The participants will be entitled to receive death contribution schemes (skim sumbangan khairat kematian) for the amount of RM2,500.00.
(d) Other related schemes/incentives which might be announced by the KWSP from time to time.

Benefit to the Main and Co-sponsor
(a) To promote towards building a brilliant society by participating in retirement investment planning at early age.
(b) Media coverage during the launching of each programmes as well as mock cheque presentation during the official opening/closing ceremony.

(c) The participation of the sponsors will be highlighted by both organiser, participating organisations and KWSP.
(d) The sponsors' representative will be invited to be on the organising stage during the official opening/closing of the programme.

Conclusion
Corporate social responsibility, or CSR, describes as a set of policies or values aimed at the improvement of society and humanity. Organisations that are concerned with CSR want to provide benefits to the general public and their shareholders. They work on programmes and activities that positively enhance society rather than degrade it.
Usually, large organisations or corporations start corporate social responsibility programmes when they've gotten to a level where they can comfortably give back to society. Most companies adopt these practices to support environmental development in their locality and possibly globally. Smaller companies can also participate in a company's social responsibility, but their efforts may not get as much publicity. Both privately owned and government bodies can practice CSR programmes.
In collaboration with a well-known and well-established organisation, KWSP, we take an initiative to organise this programme with the vision to contribute in building a "brilliant society". It is also about promoting the society at large to understand better on the concept of personal finance and personal financial planning as well personal retirement planning at early age. Hopefully by organising this programme, it would be able to contribute to upgrade the standard quality of living of the society in the future. At the same time, it helps the society to have a basic knowledge or to enhance their knowledge on the basic fundamentals of investment especially why all of us should start investing at early age.
We hope that this is not only a charitable programme for the society but it is a programme to ensure that in the long run the participants will be able to enjoy a more meaningful and comfortable way of retirement in the future.

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